

MOBILE VENDORS ASSOCIATION OF NL, FEBRUARY 2021

MOBILE VENDING IN ST. JOHN'S



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MOBILE VENDING IN ST. JOHN'S

- **ANNUAL LICENSING FEE:** bicycles \$100, table sales \$250, push cart/motorized vehicle \$500. **TEMPORARY LICENSE FEE:** \$250(\$200 refundable deposit) for 1-30 days maximum
- **PUBLIC PARKING FEES:** Downtown; five designated sites, available only if prior occupant forfeits site. \$3000 plus HST. Harbour Drive; parking meters to be paid at the hourly rate. Churchill Square; one designated site, \$1500 plus HST.
- Not permitted in public parks, public open spaces, residential zones, within 100 metres of Mile One, any grade school, or the War Memorial unless specifically permitted by Council. Permitted on private land with letter from land owner.
- \$2,000,000.00 automobile liability insurance and \$2,000,000.00 commercial general liability.
- The use of generating units is prohibited downtown.
- There must be two metres between mobile vending units.
- Council may lease additional parking spaces to vendors.

**“FOOD TRUCKS ARE A HEALTHY
FORM OF COMPETITION”**

COMPETITION BUREAU OF CANADA

MOBILE VENDING IN CANADA

- **SASKATOON, population 273,010(2017):** Mobile vendors cannot be within 20 metres of any business selling a similar product, otherwise any area of the city is permitted. \$2,000,000.00 in liability insurance. The license fee is \$100. No parking fees.
- **KELOWNA, population 132,084(2017):** \$150 mobile business license fee. Three metres between adjacent vendors. Must be a minimum of three metres from any building. No parking fees.
- **MONCTON, population 85, 198(2017):** Permits effective May 1-Oct 31. \$750 plus HST, no parking fees. Selection panel considering healthy options and cultural diversity. \$2,000,000.00 in general liability insurance. Five different neighbourhoods listed as potential selling sites for food products and more options for vendors not selling food.
- **MISSISSAUGA, population 828,854(2017):** Licensing fees \$291, no parking fees. \$2,000,000.00 general liability insurance. Written consent from the owner of the property where the truck will operate, park permit if applicable, written consent from the Commissioner of Community Services to operate on or near City-owned property.

**NOT JUST FOOD TRUCKS
ST. JOHN'S HAS MOBILE RETAIL,
MOBILE PET GROOMING,
AND MOBILE MASSAGE BUSINESSES**

THE FACTS

- **Mobile vendors contribute to the creation of vibrant urban communities.**
- **Mobile vendors help to create pedestrian friendly environments. In light of Covid-19 restrictions, and for the safety of the community, the municipality of Fredericton created the Fredericton Al Fresco initiative to support restaurants and mobile vendors while providing safer community based activities for residents. When mobile vendors are present, there are more “eyes on the street”.**
- **Affordable and convenient options. Unlike brick and mortar establishments, mobile vendors cannot offer alcohol, heating, seating, entertainment, full service, or washrooms. They are at the mercy of storage space restrictions, the weather and the seasons. However, they can offer quick, convenient and often affordable options for consumers especially those with small children.**
- **Mobile vending units are often more accessible for people with mobility aids and can be more sensory-friendly. They offer the ability to practice safer physical distancing than traditional eating establishments as well.**

- **Mobile vendors can fill the void in areas that are not well serviced by restaurants and retail. Mobile vendors are interested in vending in areas with as little direct competition as possible. For example, it's not in the best interest for a taco truck to operate directly in front of a Mexican restaurant. Mobile vendors are just as interested as traditional establishments are to reduce direct competition and ensure their mutual success.**
- **Mobile vendors provide positive impacts on other fixed businesses by bringing customers to a particular area. For example, Economist Steve Balkin and colleagues found that when Chicago's Maxwell Street Market for pushcart vendors was forced to move, nearby stationary shops lost business as the commercial vitality and number of potential customers in the area declined.**
- **In D.C., vendors have partnered with established businesses for the good of all. As D.C. food truck owner Justin Vitarello said, "We can activate some spaces." Another D.C. vendor partnered with a stationary business to boost sales for both, for example, offering discounted drinks at a restaurant with the purchase of a lobster roll from his food truck.**

- **Increase GDP and Employment.** Chicago has historically had very restrictive rules on mobile vending and it can be said that this has had a negative impact on the economy. The burden of municipal ordinances restricting mobile vending in Chicago falls disproportionately on poorer individuals, a lot of whom are immigrants and some who choose to work illegally if not permitted to do so. The removal of burdensome regulations in Chicago would see 2,145 jobs legalized and an additional 6,435 jobs created. There would be an increase of from \$40 million to \$160 million in total annual sales, and a corresponding increase from \$2.1 million to \$8.5 million in new local sales tax revenues.
- **Food trucks are growing the overall market of the food service industry.** According to the U.S. Bureau of Labor Statistics and as reported by *The Economist*, counties in the U.S. that experienced higher growth in mobile food services have also had quicker growth in their restaurant and catering businesses.
- **Contrary to a popularly held, fear based opinion, mobile vendors are not significant threats to brick and mortar establishments and research has shown that they can increase business to brick and mortar establishments and foot traffic to the area.**

- **Mobile vendors can increase tourism. Vancouver became a tourist destination for foodies when they loosened regulations in 2010 for mobile vendors and the food truck scene exploded. This benefited the city, mobile vendors, restaurants and a number of other types of businesses.**
- **Mobile vending supports a number of other related industries- ie kitchen space rental, local farms and food producers, etc.**
- **Mobile vending creates entrepreneurial opportunities. The mobile vending industry can lower barriers to entry and is a less risky venture than traditional brick and mortar businesses. This business model is more accessible to low-income, middle class, new Canadians, minority entrepreneurs, and aspiring chefs. Research in Portland supports this.**
- **The Competition Bureau of Canada found no clear evidence that shows detrimental impacts of mobile food services on restaurants. Mobile food services and restaurants largely reflect two different business models with different levels of investments and services. In fact, some evidence suggests that mobile food services may be stimulating demand in the food service market by attracting new customers that would not have purchased food at all were it not for the food trucks.**
- **A study in Vancouver and Victoria showed that almost 40% of food truck customers would have either eaten at home (28.7%) or skipped the meal completely (10.7%) had they not eaten at a food truck. Only 15% of customers in this study would have eaten at a full service restaurant.**

“Blue was part of last year’s Pedestrian Mall and I think that in most regards it was a resounding success for businesses located in the mall, elsewhere downtown, and the city as a whole. The sheer volume of people downtown each day was evidence of this. With that said, there are several areas to improve upon, specifically the lack of quick, affordable, convenient options for food service.

Often times during last season’s Mall, Blue, as well as many other restaurants in the area, had significant line ups to get into our establishment. This delay to get a table, plus the normal time allotted to dine at a traditional restaurant, excluded many guests from partaking. Guests with small children out for a walk, employees with limited lunch breaks and guest not comfortable dining inside if all outside tables were full, had very limited options for substantial, and quality food service.

The City did a good job of providing plenty of additional seats and tables, but not enough options to service them.

There were many areas of the Mall with low utilization last year, either through empty store fronts or businesses whose services did not benefit from additional outside space. These areas are prime spots to locate mobile vendors.

Blue has been located at the same address on Water Street since 2004. We have seen many changes over the years, but none better for us than when more restaurants started opening on our block. Many of our best years have been during this time when competition was all around us. In my experience, the more people you attract to a specific area, all businesses within that area benefit. Adding mobile vendors to the mix in the upcoming Pedestrian Mall will result in more traffic, which will result in more business for all of us.

Overall, excluding a significant mobile vendor presence from the 2021 Pedestrian Mall is a disservice to the great initiative that was started last year, and hopefully will continue for many years to come.”

**SULLIVAN POWER
OPERATIONS MANAGER AND PART OWNER OF BLUE ON WATER RESTAURANT.OWNER/OPERATOR OF THE
MOBILE FOOD TRUCK HITCHEN THE KITCHEN”**

RECOMMENDATIONS TO CITY COUNCIL

- While Canadian consumers have been quick to embrace the food truck movement, the response from municipalities and traditional food service providers has not always been so welcoming. Municipal regulations often limit where food trucks can be located, the number of continuous hours they can operate, and the number of providers permitted in a given area. While these regulations can serve legitimate urban planning or other policy goals, some restrictions may go further than necessary.
- Restricting the ability of food trucks to compete in the food service industry can reduce consumer choice and stifle innovation. Regulations that restrict competition should be removed.
- The presence of mobile vendors allows for innovation and healthy competition in the market. The notion of “unfair competition” is false. Like any other sector, customers pick the “winners” and the market decides.
- In finding the right regulatory balance, the City of St. John’s Council should take an evidence-based approach, look to emerging best practices, and consider the benefits of embracing new forms of competition. In particular, they could try to level the playing field between bricks and mortar restaurants and food trucks, and avoid imposing regulations on mobile food providers that disproportionately impede their ability to succeed.

- Council can and should encourage vibrant vending cultures by drafting clear, simple and modern rules that are narrowly tailored to address health and safety issues.
- Proximity bans are the most blatantly protectionist, as they literally outlaw one business from setting up shop near an industry competitor.
- Brick and mortar businesses receive a great deal in return for their higher costs. Their larger investments enable them to offer services mobile vendors cannot. For mobile vendors, the lower costs are what make the trade attractive and affordable.
- Toronto competition and regulatory Lawyer Steve Szentesi commented on the mobile regulations in their city in 2014. “Why is conduct that may be subject to criminal competition law sanction (i.e., an arrangement to keep competitors apart, etc.) condoned if it's regulated? Outside the regulated sphere this would, if among competitors, generally be called an illegal market division or output restriction agreement — both rather serious no-no's under the federal Competition Act”.
- Considering the above, is it in fact the role of City Council to decide who gets to compete?
- Mobile vendors are the smallest of the small businesses and they are in dire need of policy change and new opportunities.

- SPARKS STREET, OTTAWA
- GRANVILLE MALL, HALIFAX
- HALIFAX WATERFRONT, HALIFAX
- DISTILLERY DISTRICT, TORONTO
- SAINT LAURENT, MONTREAL
- STEPHEN AVENUE WALK, CALGARY

PEDESTRIAN MALLS IN CANADA WITH MOBILE VENDORS

MOBILE VENDORS IN THE DOWNTOWN PEDESTRIAN MALL

- The City of St. John's public engagement response on the Pedestrian Mall found that businesses inside the mall footprint, businesses outside the mall footprint, and the public alike all said that mobile vendors would improve the mall experience.
- The City of St. John's public engagement response on the Pedestrian Mall found multiple mentions of "dead space" and extending the mall footprint.
- The Mobile Vendors Association of Newfoundland proposes that multiple mobile vendors be permitted to operate inside the pedestrian mall footprint.
- Mobile vending units could fill the empty spaces in front of banks, vacant buildings, and offices to encourage that the walking traffic keeps flowing.
- The wait-times for restaurants inside the footprint was often over an hour and up to several hours. Many people would choose to leave, unsatisfied and hungry. Food trucks could offer a quick meal and ensure the satisfaction of the patrons.
- People with dogs would benefit from outdoor only establishments. Many of the visitors to the pedestrian mall were with their pets.

- **Modern mobile vending units have built-in or ultra quiet generators and some in St. John's are even solar powered.**
- **The general public loves multiple mobile vendors together in one spot, for example, The Royal St. John's Regatta and the Night Market. These events create destination eating.**
- **You don't need a reservation or closed toed shoes to eat at a picnic table. They can accommodate strollers, hungry children and pets.**
- **Mobile vendors are local, tax paying, entrepreneurs who are have lost income from the cancellation of festivals, markets, concerts, corporate functions, weddings, private parties, sporting events, and office lunches due to the ongoing pandemic. This industry has been hard hit and has received little support.**
- **Due to the shift towards working from home, restricted gatherings, and cancelled events, there is a necessity for a shift in zoning regulations as well.**
- **Outdoor dining and shopping is the healthiest way to keep local businesses alive during the pandemic. This should not be a privilege exclusive to traditional businesses.**

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